

The Liberation Absolute Growth Fund, a sub-fund of The Liberation Fund

Interim Short Report for the period from 1st November 2009 to 30th April 2010

The information in this report is designed to enable investors to make an informed judgement on the activities of the Fund during the period. Copies of the Long-Form Interim Report & Accounts are available free of charge by calling Premier on 01483 306 090, or can be downloaded from the Fund's website, www.theliberationfund.co.uk.

Investment Objective and Policy

The investment objective of the Liberation Absolute Growth Fund is to achieve steady capital growth. The Fund will achieve this by investing principally in a portfolio of securities which, in the Investment Adviser's opinion, are lower risk securities and which will produce capital appreciation over the longer term. Subject to the above, the Fund may invest in any asset class and adopt any investment technique or strategy permitted under FSA rules and as detailed in the full prospectus. The Fund may invest in derivatives and forward transactions for investment purposes as well as for the purposes of efficient portfolio management (including hedging).

Fund Facts

Launch date:	11 May 2007
Ex-dividend dates:	30 April and 31 October
Income dates:	28 February and 30 June

Total Expense Ratio (TER)

31/10/2009

2.68%

The TER shows the annual operating expenses of the Fund including the annual management charge and other expenses. It does not include transaction charges. Funds highlight the TER to help you compare the annual operating expenses to different schemes. The TER for income and accumulation shares is the same.

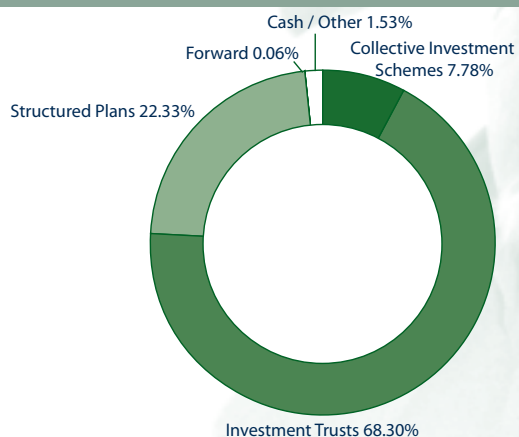
Portfolio Turnover Rate (PTR)

31/10/2009

112.8%

The PTR is a ratio that reflects the volume of trading within the Fund over the course of a 12 month period. The PTR is calculated by taking the sum of all transactions in securities less the sum of all transactions in the Fund's shares and is expressed as a percentage of the Fund's average net asset value.

Asset Allocation as at 30/04/2010



Top Ten Holdings as at 30/04/2010

Alternative Investment Sterling Hedged	4.69%
Elders (Merrill Lynch) Capital Accumulation II 16A	4.58%
EW & PO Finance ZDP	4.45%
TwentyFour Monument Bond Fund	4.45%
F&C Private Equity ZDP	4.40%
Utilico 2014 ZDP	4.37%
MW Tops Pref Shares	4.17%
Jupiter Second Split Trust ZDP	4.16%
Utilico 2012 ZDP	4.07%
JPMorgan Private Equity 2015 ZDP	3.99%

Performance Record

Year	Share Class	Highest Price (p)	Lowest Price (p)
2007 ¹	Income	100.68	91.85
	Accumulation	100.68	91.78
2008	Income	96.83	68.97
	Accumulation	96.83	69.76
2009	Income	87.37	69.52
	Accumulation	88.45	70.32
2010 ²	Income	89.38	86.84
	Accumulation	90.46	87.93

¹ 12 February 2007 to 31 December 2007. ² To 30 April 2010.

Past performance is not a guide to future returns. The price of units and shares and the return from them may go down as well as up and you may get back less than you invested.

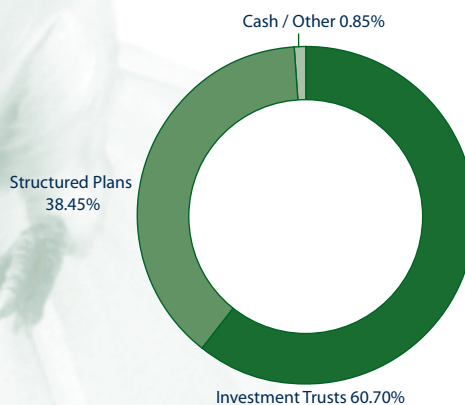
Net Asset Values

As at	Share Class	Net Asset Value per Share (p)
31/10/2008	Income	71.27
	Accumulation	71.95
31/10/2009	Income	85.17
	Accumulation	86.23
30/04/2010	Income	88.41
	Accumulation	89.48

Dividend Distribution

Expenses exceeded revenue during the period, as a result no distributions were paid.

Asset Allocation as at 31/10/2009



Top Ten Holdings as at 31/10/2009

MW Tops Pref Shares	7.22%
Merrill Lynch FTSE Autocallable Warrant	6.65%
Elders (Merrill Lynch) Capital Accumulation II 16A	5.33%
Goldman Sachs FTSE 100 Index 2014	5.24%
Symphony 15% FTSE Defensive Autocall	5.01%
Alternative Investment Sterling Hedged	4.66%
The Cayenne Trust	4.54%
Utilico 2014 ZDP	4.51%
Dexion Equity Alternative	4.48%
Utilico 2012 ZDP	4.46%

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Investment Review

Performance

The Liberation Absolute Growth Fund has continued to provide a steady absolute growth with much lower volatility than has been experienced by equity markets. Over the course of these six months, the Fund has risen by 3.7%. While this return trails the strength of the UK equity market, it must be recognised how strong the market gyrations have been over this period (noticeably the large market falls that occurred in the latter part of January and early February, that saw the market lose most of the gains made in the preceding three months). What was particularly pleasing was the resilience of the Fund since the start of the year, holding up well with a small gain, while the UK stock market dropped sharply. Generating this sort of performance profile irrespective of equity market moves provides for a less volatile experience for investors and a greater potential for more favourable risk-adjusted returns.

Portfolio Activity

This review period saw a constant level of activity in the Fund driven by investment opportunities and broadening of the portfolio on cash inflows.

At the end of April, the Fund consisted of 31 holdings, with the 10 largest investments accounting for just over 44%. We made 12 new investments over the period.

With increasing investor appetite for Zero Dividend Preference Shares (ZDP), we bought into three new issues where the return profile, asset class and coverage proved attractive. We therefore added JPM Private Equity, F&C Private Equity and most recently Aberforth Geared Income (investing in UK smaller company equities) into the portfolio. We supplemented this with two further ZDP purchases of Jupiter Dividend and Growth and Jupiter Second Split, attracted by the long-term potential of these investments.

We are also taking advantage of the opportunities available in credit markets as a means of further diversifying the portfolio. We bought three positions, which all look interesting in their own right, while having little sensitivity to gilt yields (where we view the outlook as wholly unattractive). L&G Dynamic Bond has tremendous flexibility with regard to the credit tools that the manager utilises. TwentyFour Monument Bond fund invests in the highest quality floating-rate packaged mortgage bonds, which continue to price very cheaply. Finally, Henderson Diversified Income is a listed trust whose portfolio is dominated by floating-rate, senior-secured loans, which rank very high up on a company's loan capital structure, and we bought opportunistically at a very good discount.

We also bought several structured products offering an attractive balance between reward and risk. With their underlying index constituents down significantly from their initial launches, each of these products should continue to edge upwards toward their maturity value.

Our final purchase during the period was Burford Capital. This is a company that provides litigation financing to both claimants and defendants in large commercial US lawsuits and international arbitrations. The investments comprise a diversified portfolio that generates returns from a success fee on the lawsuits and arbitrations financed. We view this as an interesting alternative to traditional investments as the returns are uncorrelated to either commodity or equity markets.

At its second anniversary in January, the Merrill Lynch Defensive Autocall Structured Product matured. This provided investors with 122p return on an initial investment of 100p. In comparison, the FTSE 100 index against which it was structured was down 10.5% over the same time, thus providing significant market outperformance. We continue to hold some other similarly attractive products, notably the Merrill Lynch Capital Accumulator II product that will pay 150.6p at end of June 2010, provided the FTSE 100 index remains above 4,255.36.

HSBC Infrastructure Company was the sole investment to be traded in and out of the portfolio during the period. Investing in Government backed social infrastructure maintenance projects such as hospitals, schools and prisons, we bought the fund as an inflation hedged alternative investment at an attractive discount to underlying net asset value (NAV). As fears on inflation became more pronounced and risk aversion drew investors back into these secure cash-flow operations, we took our gains and sold the holding when the price moved to an eventual premium to NAV.

Outlook

We remain in an environment where we continue to see economic, political and regulatory volatility. At the beginning of the year we said to investors that 2010 would be a "risk on, risk off" market and this so far has proved to be the case. The massive reflation trade initiated by the West to prevent a 1930's style crash has succeeded for now. The challenge ahead is how to withdraw this stimulus without derailing an economic recovery. For this challenge there is no historic precedent to follow, although those indebted nations know that they must reduce their spending and increase their tax revenues. The low interest rate environment remains the main support for risk assets.

Source: Premier Fund Managers Limited May 2010. Performance data taken from Financial Express Analytics, quoted on a total return, bid to bid, UK sterling basis. Past performance is not a guide to future returns.

Investment Risks

There is a market risk. This is the risk that the value of investments and any income from them, can fall as well as rise. Neither capital or income is guaranteed. This Fund may invest in derivatives for investment purposes. Although this may mean that the value of the Fund could be subject to volatility from time to time, investing in derivatives is not expected to alter the risk profile of the Fund.

Historically, zero dividend preference shares proved to be a lower risk investment than more traditional shares. However, serious falls in stockmarket levels can produce material changes to their structure. Most zeros are now regarded as lower risk investments than equities.

A fund which invests heavily in securities (including zero dividend preference shares) which may be subject to significant levels of borrowing, often known as "gearing", is vulnerable to sudden and large falls in value which may result in no realisable value if there is a sufficiently large fall in value of the underlying investments subject to gearing.

Other Information

Authorised Corporate Director (ACD) & Registered Office: Premier Portfolio Managers Limited, Eastgate Court, High Street, Guildford, Surrey, GU1 3DE

Auditor: Grant Thornton UK LLP, 30 Finsbury Square, London, EC2P 2YU

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You should remember that past performance is not a guide to future returns and the price of shares and the income from them may go down as well as up and you may get back less than you invested. Investment in these funds should be viewed as a long term investment. Exchange rates will also cause the value of underlying investments to fall as well as rise. Tax concessions are not guaranteed and may be changed at any time, their value will depend on your individual circumstances. Reference to any particular stock does not constitute a recommendation to buy or sell the stock. Details of the nature of the investments, the commitment required and fund specific risk warnings are described in the Simplified Prospectus document which is available on request. Monthly cash withdrawals may lead to erosion of the capital value of your investment should you take a higher cash withdrawal than the growth or income generated. 2806106426

